

## OFFICIAL NOTICE OF SALE

**\$10,360,000\***  
**BERKELEY UNIFIED SCHOOL DISTRICT**  
**(Alameda County, California)**  
**2020 General Obligation Refunding Bonds**

NOTICE IS HEREBY GIVEN that *electronic bids only* for the purchase of \$10,360,000\* aggregate principal amount of Berkeley Unified School District (Alameda County, California) 2020 General Obligation Refunding Bonds (the "Bonds"), will be received by the Berkeley Unified School District (the "District") at the time and in the form below specified:

**DATE AND TIME:** TUESDAY, OCTOBER 20, 2020 (the "Bid Date"), at or before 8:45 A.M. (Pacific Daylight time).

**SUBMISSION OF BIDS:** Bids may be submitted (for receipt not later than the time set forth above) *electronically only* through the I-Deal LLC BiDCOMP/PARITY® system ("PARITY®"). See "FORM OF BID" herein.

**Bidders should be aware that the par amount of the Bonds may be increased or reduced. See "ADJUSTMENT OF PRINCIPAL AMOUNTS AND OF MATURITIES" BELOW.**

Any questions on the bidding procedures and sale terms set forth in this Notice of Sale, or any modification or amendment thereof, or any postponement or cancellation of the sale of the Bonds, should be directed to KNN Public Finance, LLC ("Municipal Advisor"), telephone 510-208-8263, Attention: Danielle Arruda (email: [darruda@knninc.com](mailto:darruda@knninc.com)).

**ISSUE; BOOK ENTRY:** \$10,360,000\* Bonds consisting of fully registered bonds. The Bonds will be dated as of their date of delivery, expected to be November 5, 2020 (the "Closing Date"), and will be issued in minimum denominations of \$5,000. The Bonds will be issued in a book entry only system with no physical distribution of the Bonds made to the public. The Depository Trust Company ("DTC"), will act as depository for the Bonds which will be immobilized in its custody. The Bonds will be registered in the name of Cede & Co., as nominee for DTC, on behalf of the participants in the DTC system and the subsequent beneficial owners of the Bonds.

**MATURITIES:** The Bonds will mature on the dates and in the principal amounts, as set forth in the following table.

Maturity Date (August 1)	Principal Amount*	Maturity Date (August 1)	Principal Amount*
2021	\$1,055,000	2026	\$1,185,000
2022	970,000	2027	1,250,000
2023	1,020,000	2028	1,305,000
2024	1,075,000	2029	1,375,000
2025	1,125,000		

**ADJUSTMENT OF PRINCIPAL AMOUNTS AND OF MATURITIES:** The maturity amounts set forth above for the Bonds may be adjusted either upward or downward in order to meet tax rate considerations after award of the Bonds has been made to the successful bidder. The successful bidder will be notified of the actual principal amounts and maturity schedules relating to the Bonds within 26 hours after the expiration of the time prescribed for the receipt

\*Preliminary, subject to change.

of bids. Any increase or decrease will be in \$5,000 increments of principal amounts. In the event of any such adjustment, no re-bidding or recalculation of the bids submitted will be required or permitted and no successful bid may be withdrawn. The successful bidder will not be permitted to change the interest rates in its bid.

**INTEREST:** Bidders must specify the rate of interest that the Bonds will bear, subject to the following limitations. Interest on the Bonds will accrue from the Closing Date and will be calculated on a 360 day basis, consisting of twelve 30-day months. Interest on the Bonds will be payable semi-annually on each February 1 and August 1, commencing February 1, 2021. Bidders may specify any number of separate rates and the same rate or rates may be repeated as often as desired, but:

- No Bond may bear an interest rate greater than 5.50% per annum;
- No Bond shall bear a zero rate of interest
- No Bond shall bear more than one rate of interest
- No Bond shall be subject to mandatory sinking fund redemptions
- Each interest rate specified in any bid must be a multiple of one-eighth or one-twentieth of one percent (1/8 or 1/20 of 1.00%) per annum and
- Each Bond shall bear interest from its date of delivery to its stated maturity date or earlier redemption at the interest rate specified in the applicable bid

**PURCHASE PRICE:** The aggregate purchase price bid for the Bonds may not be less than one hundred percent (100.00%) of the principal amount of the Bonds plus an amount equal to the purchaser's discount.

**REPAYMENT RATIO:** The maximum repayment ratio of the Bonds, where total future debt service payments of the Bonds are divided by the principal of the Bonds, shall be within 4-to-1 for the Bonds.

**PAYMENT:** Principal of the Bonds will be payable upon surrender at U.S. Bank National Association, San Francisco, California (the "Paying Agent"). Interest on the Bonds will be payable by check or draft mailed by first class mail to the owner at the address listed on the registration books maintained by the Paying Agent for such purpose.

**NO OPTIONAL REDEMPTION:** The Bonds are non-callable.

**PURPOSE:** The Bonds are being issued to (a) refund the District's outstanding Berkeley Unified School District (Alameda County, California) 2013 General Obligation Refunding Bonds, Series A, and (b) pay for costs of issuance of the Bonds.

**SECURITY:** The Bonds are general obligations of the District. The Alameda County Board of Supervisors has the power and is obligated to levy *ad valorem* taxes for the payment of the Bonds and the interest thereon without limitation as to rate or amount upon all property within the District subject to taxation (except for certain classes of personal property).

**RATING:** S&P Global Ratings Services, a Standard & Poor's Financial Services LLC business, has assigned the rating of "AA+" to the Bonds. The cost of obtaining such rating will be borne entirely by the District and not by the successful bidder.

## TERMS OF SALE

**FORM OF BID:** Each bid must be unconditional and conform to all of the sale terms provided herein. By submitting a bid, the bidder agrees to all of the terms and conditions of this

Notice of Sale. In submitting a bid, each bidder acknowledges that the bid is an offer to purchase all of the Bonds, and if accepted, will become a contract to purchase such Bonds on the terms contained herein.

To the extent any instructions or directions set forth in BiDCOMP/PARITY® conflict with this Official Notice of Sale, the terms of this Official Notice of Sale shall control. For further information about BiDCOMP/PARITY®, bidders may contact the Municipal Advisor or BiDCOMP/PARITY® at (212) 404-8102.

THE DISTRICT RETAINS ABSOLUTE DISCRETION TO DETERMINE WHETHER ANY BID IS TIMELY AND COMPLETE. NONE OF THE DISTRICT, THE MUNICIPAL ADVISOR, OR QUINT & THIMMIG LLP (“BOND COUNSEL”) TAKES ANY RESPONSIBILITY FOR INFORMING ANY BIDDER PRIOR TO THE TIME FOR RECEIVING BIDS THAT ITS BID IS INCOMPLETE OR NOT RECEIVED.

EACH BIDDER SUBMITTING AN ELECTRONIC BID UNDERSTANDS AND AGREES BY DOING SO THAT IT IS SOLELY RESPONSIBLE FOR ALL ARRANGEMENTS WITH BiDCOMP/PARITY® AND THAT BiDCOMP/PARITY® IS NOT ACTING AS AN AGENT OF THE DISTRICT. INSTRUCTIONS AND FORMS FOR SUBMITTING ELECTRONIC BIDS MUST BE OBTAINED FROM BiDCOMP/PARITY® AND THE DISTRICT ASSUMES NO RESPONSIBILITY FOR ENSURING OR VERIFYING BIDDER COMPLIANCE WITH THE PROCEDURES OF BiDCOMP/PARITY®. THE DISTRICT SHALL ASSUME THAT ANY BID RECEIVED THROUGH BiDCOMP/PARITY® HAS BEEN MADE BY A DULY AUTHORIZED AGENT OF THE BIDDER.

THE DISTRICT WILL MAKE ITS BEST EFFORTS TO ACCOMMODATE ELECTRONIC BIDS; HOWEVER THE DISTRICT, THE MUNICIPAL ADVISOR AND BOND COUNSEL ASSUME NO RESPONSIBILITY FOR ANY ERROR CONTAINED IN ANY BID SUBMITTED ELECTRONICALLY, OR FOR FAILURE OF ANY BID TO BE TRANSMITTED, RECEIVED OR ACCEPTED AT THE OFFICIAL TIME FOR RECEIPT OF BIDS. THE OFFICIAL TIME FOR RECEIPT OF BIDS WILL BE DETERMINED BY THE DISTRICT AND THE DISTRICT SHALL NOT BE REQUIRED TO ACCEPT THE TIME KEPT BY BiDCOMP/PARITY® AS THE OFFICIAL TIME.

**BEST BID:** The Bonds will be awarded to the bidder or bidders offering to purchase the Bonds at the *lowest true interest cost* to the District; District provided, however, that certain refunding savings are achieved. The true interest cost of each bid will be determined on the basis of the present value of the aggregate future semiannual payments resulting from the interest rates specified by the bidder. The present value will be calculated to the Closing Date and will be based on the proposed bid amount (par value plus any premium). If such bid fails to achieve certain refunding savings, the District may reject all bids and not award the Bonds. The determination of the best bid by the Municipal Advisor shall be binding and conclusive on all bidders. In the event that two or more bidders offer bids for the Bonds at the same lowest TIC, the District will determine by lottery which bidder will be awarded the Bonds.

**MULTIPLE BIDS FROM A SINGLE BIDDER:** In the event multiple bids for the Bonds are received from a single bidder, the District shall be entitled to accept the bid with the lowest true interest cost for the Bonds, calculated in accordance with this Official Notice of Sale, from among all such bids, and each bidder agrees by submitting any bid to be bound by such lowest bid unless such bid is withdrawn prior to the deadline for receiving bids.

**RIGHT OF CANCELLATION OF SALE BY DISTRICT:** The District reserves the right, in its sole discretion, at any time to cancel the public sale of the Bonds. In such event, the District shall cause notice of cancellation of this invitation for bids and the public sale of the

Bonds to be communicated through PARITY® not later than 1:00 P.M. California time on Monday, October 19, 2020, which is one day prior to the Bid Date. However, no failure to publish such notice or any defect or omission therein shall affect the cancellation of the public sale of the Bonds.

**RIGHT TO MODIFY OR AMEND:** The District reserves the right, in its sole discretion, to modify or amend this Official Notice of Sale including, but not limited to, the right to adjust and change the principal amount and principal amortization schedule of the Bonds being offered, at any time prior to the date and time for the receipt of bids, communicated through PARITY® not later than 1:00 P.M. California time on Monday, October 19, 2020, which is one day prior to the Bid Date. Failure of any bidder to receive notice of any such modification or amendment shall not affect the legality of the sale.

**RIGHT OF POSTPONEMENT BY DISTRICT:** The District reserves the right, in its sole discretion, to postpone, from time to time, the date established for the receipt of bids. Any such postponement will be communicated through PARITY® prior to the date and time for the receipt of bids. If the Bid Date is postponed, any alternative sale date will be announced through PARITY® not later than 1:00 P.M. California time on Monday, October 19, 2020, which is one day prior to the Bid Date. On any such alternative sale date, any bidder may submit a bid for the purchase of the Bonds in conformity in all respects with the provisions of this Official Notice of Sale, except for the date and time of sale announced through PARITY®.

**RIGHT OF REJECTION:** The District reserves the right, in its sole discretion, to reject any and all bids and to waive, without limitation, any irregularity or informality in any bid except the time of receipt of electronic bids.

**PROMPT AWARD:** Pursuant to authority granted by the Board of Education of the District (the "Board"), the Superintendent, or the Superintendent's designee, will take action awarding the Bonds or rejecting all bids not later than twenty-six (26) hours after the expiration of the time for the receipt of bids; provided, that the award may be made after the expiration of the specified time if the bidder shall not have given to said Board notice in writing of the withdrawal of such bid. Bid evaluations or rankings by PARITY® are not binding on the District or the Board.

**DELIVERY AND PAYMENT:** It is expected that the Bonds will be delivered to DTC for the account of the successful bidder within thirty (30) days from the date of sale thereof. The successful bidder shall have the right, at his option, to cancel its obligation to purchase the Bonds if the Bonds are not tendered for delivery within thirty (30) days from the date of the sale thereof, and in such event the successful bidder shall be entitled to the return of the Deposit (see below), without payment of interest, accompanying its bid. Payment for the Bonds must be made on the Closing Date, in the form of a wire transfer of immediately available funds to the order of the Paying Agent.

**GOOD FAITH DEPOSIT:** A good faith deposit ("Deposit") by wire transfer in immediately available funds, in the amount of \$100,000 payable to the order of the Paying Agent must be remitted by the winning bidder within 48 hours after the acceptance of its bid. The Deposit shall be held by the Paying Agent on behalf of the District and shall then be applied toward the purchase price of the Bonds. If after the award of the Bonds the successful bidder or bidders fail to complete their purchase on the terms stated in their bid, the Deposit will be retained by the District. The retention of the Deposit shall constitute a full release and discharge of all claims and rights of the District against the bidder on account of such failure and a waiver of any right the District may have to any additional damages for such failure. By submitting a bid, the bidder waives any right to claim that actual damages resulting from such

failure are less than the amount of such Deposit, and agrees that the amount of such Deposit is a reasonable estimate of damages that the District may suffer in the event of such failure.

**CHANGE IN TAX EXEMPT STATUS:** At any time before the Bonds are tendered for delivery, the successful bidder may disaffirm and withdraw its bid if the interest from bonds of the same type and character shall be declared to be taxable income under present federal income tax laws, either by a ruling of the Internal Revenue Service or by a decision of any federal court, or shall be declared taxable, or be required to be taken into account in computing federal income taxes (except alternative minimum taxes and environmental taxes payable by corporations) by any federal income tax law enacted subsequent to the date of this notice.

**CLOSING PAPERS; BOND PRINTING:** Each bid will be understood to be conditioned upon the District furnishing to the purchaser, without charge, concurrently with payment for and delivery of the Bonds, the following closing papers, each dated the Closing Date:

(a) The opinions of Quint & Thimmig LLP, Larkspur, California, Bond Counsel, approving the validity of the Bonds and stating that, subject to the District's compliance with certain covenants, the interest on the Bonds is excluded from gross income for federal income tax purposes, such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, and interest on the Bonds is exempt from State of California personal income taxes. Other tax consequences to holders of the Bonds, if any, are not addressed in the opinion;

(b) A certificate of the District certifying that on the basis of the facts, estimates and circumstances in existence on the date of issue, it is not expected that the proceeds of the Bonds will be used in a manner that would cause the Bonds to be arbitrage bonds;

(c) A certificate of the District, signed by officers and representatives of the District, certifying that the officers and representatives have signed the Bonds whether by facsimile or manual signature, and that they were respectively duly authorized to execute the same;

(d) The receipt of the District evidencing the receipt of the purchase price of the Bonds;

(e) A certificate of the District, certifying that there is no known litigation threatened or pending affecting the validity of the Bonds; and

(f) A certificate of the District, signed by an officer of the District, acting in his official capacity, to the effect that at the time of the sale of the Bonds, and at all times subsequent thereto up to and including the time of the delivery of the Bonds, the Official Statement relating to the Bonds did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

**CUSIP NUMBERS:** It is anticipated that CUSIP numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond nor error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and payment for the Bonds in accordance with the terms of the purchase contract. The Municipal Advisor shall provide the CUSIP numbers to the successful bidder following the award of the Bonds. All expenses of printing CUSIP numbers on the Bonds and the CUSIP Service Bureau charge for the assignment of said numbers shall be paid by the successful bidder.

**ESTABLISHMENT OF ISSUE PRICE:** The winning bidder shall assist the District in establishing the issue price of the Bonds and shall execute and deliver to the District at closing an "issue price" or similar certificate setting forth the reasonably expected initial offering price

to the public of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A attached, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the District and Bond Counsel.

**CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION:** The successful bidder will be required, pursuant to State law, to pay any fees to the California Debt and Investment Advisory Commission when due.

**DTC FEES:** All fees due to DTC with respect to the Bonds shall be paid by the successful bidder or bidders.

**OFFICIAL STATEMENT:** The District has caused to be prepared a Preliminary Official Statement describing the Bonds in a form deemed final by the District within the meaning of Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, except for certain information which is permitted under said Rule 15c2-12 to be omitted from the Preliminary Official Statement. A copy of the Preliminary Official Statement will be furnished upon request to KNN Public Finance, LLC, 2054 University Avenue, Suite 300, Berkeley, CA 94704, telephone (510) 208-8263. The District will furnish, upon request only, to the successful bidder within seven business days following the date of award, at no charge, not in excess of 25 copies of the Official Statement for use in connection with any resale of the Bonds. Otherwise, distribution of the Official Statement will be provided electronically only, in pdf format.

**DISCLOSURE CERTIFICATE:** The District will deliver to the purchaser of the Bonds a certificate of an official of the District, dated the date of Bond delivery, stating that as of the date thereof, to the best of the knowledge and belief of said official, the Official Statement does not contain an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, and further certifying that the signatory knows of no material adverse change in the condition of the District which would make it unreasonable for the purchaser of the Bonds to rely upon the Official Statement in connection with the resale of the Bonds.

**CONTINUING DISCLOSURE:** In order to assist bidders in complying with S.E.C. Rule 15c2-12(b)(5) ("Rule 15c2-12"), the District will undertake, pursuant to the resolution authorizing issuance of the Bonds and a Continuing Disclosure Certificate, to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement. In February 2019, Rule 15c2-12 was amended to include new material events. The District is aware of these changes and has updated existing policies or procedures to ensure compliance with its continuing disclosure obligations for these new material events.

Dated: October 14, 2020

## EXHIBIT A

### FORM OF ISSUE PRICE CERTIFICATE

\$ \_\_\_\_\_  
BERKELEY UNIFIED SCHOOL DISTRICT  
(Alameda County, California)  
2020 General Obligation Refunding Bonds

#### ISSUE PRICE CERTIFICATE

The undersigned, on behalf of \_\_\_\_\_ (“\_\_\_\_\_”), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Bonds”).

1. Reasonably Expected Initial Offering Prices.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by \_\_\_\_\_ are the prices listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by \_\_\_\_\_ in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by \_\_\_\_\_ to purchase the Bonds.

(b) \_\_\_\_\_ was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by \_\_\_\_\_ constituted a firm offer to purchase the Bonds.

2. Actual First Sale Price. As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.

3. Defined Terms.

(a) “Maturity” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an underwriter or a related party to an underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) “Sale Date” means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is October 20, 2020.

(d) “underwriter” means (i) any person that agrees pursuant to a written contract with the Berkeley Unified School District (the “District”) (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents \_\_\_\_\_’s interpretation of any laws, including specifically sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the District with respect to certain of

the representations set forth in the Certificate as to Arbitrage and with respect to compliance with the federal income tax rules affecting the Bonds, and by Quint & Thimmig LLP in connection with rendering its opinion that the interest with respect to the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G and other federal income tax advice that it may give to the District from time to time relating to the Bonds.

\_\_\_\_\_.

By \_\_\_\_\_  
Name \_\_\_\_\_  
Dated \_\_\_\_\_



SCHEDULE A

EXPECTED OFFERING PRICES AND ACTUAL FIRST SALE PRICES

\$ \_\_\_\_\_  
BERKELEY UNIFIED SCHOOL DISTRICT  
(Alameda County, California)  
2020 General Obligation Refunding Bonds

Maturity (August 1)	Principal Amount	Interest Rate	Yield	Price
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**SCHEDULE B**  
**COPY OF UNDERWRITER'S BID**